

**CITY OF LAREDO
CITY COUNCIL MEETING
M-2015-S-01
CITY COUNCIL CHAMBERS
1110 HOUSTON STREET
LAREDO, TEXAS 78040
FEBRUARY 2, 2015
5:30 P.M.
SUPPLEMENTAL AGENDA**

I. INTRODUCTORY ORDINANCES

1. Finding that this proposed action serves the public interest and authorizing the City Manager to enter into a 30-year Lease and Fixed Base Operator (FBO) Agreement with Altair Aviation, L.L.C., and approving a temporary three (3) year partial waiver of the Airport's Minimum Standards approved by Ordinance No. 2006-O-202, Section E, Sub-Section B specifically the space requirements. During the three (3) period LESSEE shall have developed plans and specification to construct an approximately 21,120 square foot hangar, demolished the existing Hangar No. 162, and completed the construction, all within the three (3) year period. Failure by LESSEE to adhere to this schedule may cause for LESSEE to be in breach of the Lease Agreement and LESSEE shall not be entitled to continue to operate under the three (3) year partial waiver of the Minimum Standards. The appraised Fair Market Annual Rent (FMR) shall be \$30,600.00 and shall be adjusted annually by changes in the Consumer Price Index and at each ten (10) year anniversary by appraisal of the leased premises excluding improvements. Providing for effective date. (The Airport Advisory Board recommends approval of this item)

Ordinance Introduction: City Council

II. FIRST AND FINAL READING OF ORDINANCE

Motion to waive the final reading of Ordinance 2015-O-016.

Moved: Cm. Vela

Second: Mayor Pro Tem Rangel

For: 6

Against: 0

Abstain: 0

2. 2015-O-016 an ordinance by the City Council of the City of Laredo, Texas authorizing the issuance, sale and delivery of City of Laredo, Texas General Obligation Refunding Bonds, Series 2015; approving and authorizing a purchase contract, an escrow agreement, and a paying agent/registrar agreement; approving and authorizing all other instruments and procedures related

thereto; delegating authority to the Mayor and/or the City Manager to select outstanding bonds to be refunded and approve all final terms of the bonds; and authorizing amendment to the city's budget to appropriate such proceeds for purposes authorized herein; and ordaining other matters relating to the subject.

Noe Hinojosa of Estrada-Hinojosa Investment Bankers gave a presentation before Mayor Saenz and City Council.

City of Laredo, Texas Debt Portfolio (Principal Only)

	Outstanding Bonds as Of		
	9/30/12	9/30/13	9/15/14
Total Net Property Tax or GO Debt	\$154,508,849	\$149,176,285	\$152,593,953
Self-Supporting G.O. Debt by Enterprise			
Waterworks System	\$74,323,952	\$70,210,905	\$74,930,471
Sewer System	37,367,110	33,424,927	29,774,737
Solid Waste	12,408,052	24,869,861	27,612,155
Mass Transit	7,732,163	6,696,984	8,849,217
Airport	5,720,000	5,500,000	5,270,000
Parking	1,932,497	1,711,898	1,482,018
Bridge CIF	5,567,290	5,042,947	4,707,599
Environmental Services	397,088	337,273	1,114,946
Storm Water	21,320,000	20,267,919	19,669,903
Police Trust	1,318,000	666,000	
Total Self-Supporting (Enterprise Systems)	168,086,151	168,728,715	173,411,047
Total GO Debt	\$322,595,000	\$317,905,00	\$326,005,000
2014 All Ratings affirmed w/Stable Outlook			
Current Ratings	Moody's	Aa2 Stable	
	S&P	AA Stable	
Waterworks & Sewer System Revenue			
Senior Lien	\$144,615,000	\$180,520,000	\$212,205,000
Junior Lien	57,024,000	55,198,000	52,384,000
Total Waterworks & Sewer System Debt	\$201,639,000	\$235,718,000	\$264,589,000
Current Ratings	Moody's	A1 Stable	
	S&P	AA- Stable	
Int'l Bridge System Revenue			
Senior Lien	\$55,345,000	\$50,955,000	\$55,520,000
Junior Lien	19,636,806	18,744,207	17,365,000
	\$74,981,806	\$69,699,207	\$72,885,00
Current Ratings Senior Lien	Moody's	A2	
	S&P	A+	

Current Ratings Junior Lien	Moody's	A3	
	S&P	A	
	Stable	Stable	
Sales Tax Revenue Debt	\$38,260,000	\$36,250,000	\$32,145,000
Current Ratings	Moody's	A1 Stable	
	S&P	A+ Stable	
TOTAL	\$637,475,806	\$659,572,207	\$695,624,000

Supported by user-fee net revenues of the various City Enterprise Systems, i.e.: Water, Sewer, Landfill, Mass Transit, Airport, Parking, Bridge CIF, Environmental Services, NPDES, Police Trust.

Refunding Summary

- Based on current rates, significant Net Present Value (NPV) and annual savings can be realized by refunding the City's GO Refunding Bonds, Series 2005 and Comb. Tax & Rev C/O's, Series 205, Series 2006 and Series 2007.
- Analysis assumes current market rates exist April 2015.
- Second Refunding Case assumes \$4.2mm Issuer Contribution from 2007 C/O Excess Proceeds. This \$4.2 MM Contribution would allow City to borrow less on 2015 Refunding and provides approx. \$400,000 in additional cashflow savings for (FYE 2016 – FYE 2027).

Refunding Summary	No Issuer Contribution	\$4.2 MM Issuer Contribution
Delivered:	5/21/2015	5/21/2015
Par Amount of Refunding Bonds:	\$64,065,000	\$60,545,000
Par Amount of Refunded Bonds:	\$70,870,000	\$70,870,000
NPV Savings:	\$8,794,823	\$8,860,414
% Savings of Refunded Bonds:	12.410%	12.502%
Avg. Coupon of Refunded Bonds:	4.954%	4.954%
True Interest Cost (TIC):	1.985%	1.982%
Negative Arbitrage:	\$1,358,348	\$1,356,528

Motion to adopt Ordinance 2015-O-016.

Moved: Mayor Pro Tem Rangel
Second: Cm. San Miguel
For: 6 Against: 0

Abstain: 0

III. RESOLUTIONS

3. 2015-R-20 Authorizing the City Manager to enter into and execute a General Services Administration Revocable License for Non-Federal Use of Real Property, License No. GS-07B-99182 for the purpose of construction of a Hazardous Materials Offsite Containment Facility project at World Trade Bridge Port of Entry.

Motion to approve Resolution 2015-R-20.

Moved: Mayor Pro Tem Rangel
Second: Cm. Vela
For: 6 Against: 0

Abstain: 0

IV. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS

4. A. Request by Council Member Roque Vela, Jr.
 1. Discussion with possible action authorizing the City Manager as well as City's retained legal counsel (pursuant to City Manager's direction) to assist the Webb County – City of Laredo Regional Mobility Authority and the City's appointed board members regarding TxDOT eligibility requirements as well as other RMA requirements and legal issues, and any matters related thereto.

Cm. Vela reported that there was a question as to the eligibility of some of the members, so he suggested that they give the City Manager the authority to present a waiver to TxDOT so that the City's appointees may serve; at the same time, he wished for the firm they had on retainer to ask for an opinion from the Attorney General, which would take months.

Planning Director Nathan Bratton reported that the RMA had money that they could not use for legal representation because it was not directly related to a project. He added that the issue was that if they asked for a waiver and it was denied, they still had the option to go to the Attorney General. He explained that the statute listed five or six categories to determine the eligibility of a director, and the city had looked at it and appointed four people that complied with that; however, later they learned that the Texas Administrative Code had additional criteria that possibly was not intended by the legislature. He concluded that it would not delay the process to ask for a waiver.

Motion to approve.

Moved: Cm. Vela

Second: Cm. Perez

For: 6

Against: 0

Abstain: 0

V. ADJOURNMENT

Motion to adjourn.

Moved: Cm. Vela

Second: Mayor Pro Tem Rangel

For: 6

Against: 0

Abstain: 0